

## Del Mar Water Company

## BALANCE SHEET

December 31, 2001

Schedule A

ASSETS

Plant In Service	
Water	\$ 60,651
Total	\$ <u>60,651</u>
Accumulated Depreciation-Water	(13,870)
Total	\$ <u>(13,870)</u>
Net Utility Plant	\$ <u>46,781</u>
Construction Work in Process - Water	0
Current Assets	
Cash	0
Accounts Receivable - Net	1,361
Other Current Assets	<u>0</u>
Total	\$ <u>1,361</u>
Deferred Charges	<u>0</u>
TOTAL ASSETS	\$ <u><u>48,142</u></u>

LIABILITIES AND OTHER CREDITS

## Capital Stock and Retained Earnings

Common Stock and Paid In Capital	\$ 31,600
Retained Earnings	(9,177)
Total	\$ <u>22,423</u>
Current and Accrued Liabilities	
Accounts Payable-Trade	3,200
Taxes Accrued	15
Customer Deposits	0
Customer Deposits - Interest	0
A/P - Assoc. Companies	(23,043)
Total	\$ <u>(19,828)</u>
Advances from Utilities, Inc.	39,148
Advances In Aid of Construction	
Water	0
Total	\$ <u>0</u>
Contributions In Aid of Construction	
Water	0
Total	\$ <u>0</u>
Accumulated Deferred Income Tax	
Unamortized ITC	2,198
Deferred Tax - Federal	4,200
Deferred Tax - State	1
Total	\$ <u>6,399</u>
TOTAL LIABILITIES AND OTHER CREDITS	\$ <u><u>48,142</u></u>

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERKS OFFICE

AUG 19 2002

RECEIVED

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<u>Operating Revenues</u>					
Service Revenues - Water	\$ 21,650		\$ 21,650	\$ 32,325 [a]	\$ 53,975
Miscellaneous Revenues	986		986		986
Uncollectible Accounts	(802)		(802)	(1,197) [b]	(1,999)
Total Operating Revenues	<u>21,834</u>	<u>0</u>	<u>21,834</u>	<u>31,128</u>	<u>52,962</u>
<u>Maintenance Expenses</u>					
Salaries and Wages	1,352	41 [c]	1,393		1,393
Purchased Power	0		0		0
Purchased Water	10,586		10,586		10,586
Maintenance and Repair	14,492		14,492		14,492
Maintenance Testing	818		818		818
Meter Reading	385		385		385
Chemicals	0		0		0
Transportation	200		200		200
Operating Exp. Charged to Plant	(64)		(64)		(64)
Outside Services - Other	165		165		165
Total	<u>27,935</u>	<u>41</u>	<u>27,976</u>		<u>27,976</u>
<u>General Expenses</u>					
Salaries and Wages	692	21 [c]	713		713
Office Supplies & Other Office Exp.	746		746		746
Regulatory Commission Exp.	2,857	5,873 [d]	8,730		8,730
Pension & Other Benefits	522	16 [c]	538		538
Rent	18		18		18
Insurance	161		161		161
Office Utilities	173		173		173
Miscellaneous	80		80		80
Total	<u>5,249</u>	<u>5,910</u>	<u>11,159</u>		<u>11,159</u>
Depreciation	1,073	3,646 [e]	4,719		4,719
Taxes Other Than Income	686	8 [f]	694	93 [f]	787
Income Taxes - Federal	(4,720)	(4,806) [g]	(9,526)	10,024 [g]	498
Income Taxes - State	(1,187)	(288) [g]	(1,475)	1,552 [g]	77
Amortization of CIAC	0	(8,764) [e]	(8,764)		(8,764)
Total	<u>(4,148)</u>	<u>(10,205)</u>	<u>(14,352)</u>	<u>11,669</u>	<u>(2,683)</u>
Total Operating Expenses	<u>29,036</u>	<u>(4,254)</u>	<u>24,782</u>	<u>11,669</u>	<u>36,451</u>
Net Operating Income	<u>\$ (7,202)</u>	<u>\$ 4,254</u>	<u>\$ (2,948)</u>	<u>\$ 19,459</u>	<u>\$ 16,511</u>
Interest During Construction	0		0		0
Interest on Debt	1,915	4,866 [i]	6,781		6,781
Net Income	<u>\$ (5,287)</u>	<u>\$ (612)</u>	<u>\$ (5,729)</u>	<u>\$ 19,459</u>	<u>\$ 13,730</u>

RECEIVED

AUG 19 2002

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE

- [a] Revenues are annualized at proposed rates using the average test year customers.
- [b] Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] Salaries, Wages, Benefits, and Payroll Taxes are adjusted by a 3% increase to represent anticipated raises that will be initiated by year-end.
- [d] Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [e] Depreciation and Amortization Expense are annualized. In addition, Depreciation Expense has been adjusted to a class of asset calculation from a composite rate calculation.
- [f] Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- [g] Income Taxes are computed on taxable income at current rates.
- [h] AFUDC is eliminated for rate making purposes.
- [i] Interest on Debt has been computed using a 46.91% / 53.09% debt / equity ratio and a 8.60% cost of debt.

RECEIVED  
AUG 19 2002

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE

Del Mar Water Company  
Combined Operations  
Rate Base and Rate of Return  
Test Year Ended December 31, 2001

Schedule C

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ (7,202)	4,254	\$ (2,948)	19,459	\$ 16,511
Gross Plant In Service	\$ 60,651	(53,986) [c]	6,665	0	\$ 6,665
Accumulated Depreciation	(13,870)	12,346 [c]	(1,524)	0	(1,524)
Net Plant In Service	46,781		5,141	0	5,141
Cash Working Capital	4,234	744 [a]	4,978	0	4,978
Contributions In Aid of Construction	0	(278,885) [b]	(278,885)	0	(278,885)
Accumulated Deferred Income Taxes	6,399	0	6,399	0	6,399
Customer Deposits	0	0	0	0	0
Plant Acquisition Adjustment	0	0	0	0	0
Water Service Corporation	1,566	0	1,566	0	1,566
Pro Forma Plant	0	428,885 [b]	428,885	0	428,885
Total Rate Base	\$ 58,980	\$ 150,744	\$ 168,084	\$ 0	\$ 168,084
Return on Rate Base	-12.21%		-1.75%		9.82%

[a] Working Capital is calculated based on pro forma expenses.

[b] Pro Forma Plant is adjusted for planned additional capital investments. Utilities, Inc. is covering \$150,000 of the expense for the capital assets. Therefore, the remaining \$278,885 has been adjusted to CIAC and is being amortized in accordance with company guidelines.

[c] Gross Plant in Service and Accumulated Depreciation are adjusted for the assets currently in service that will be retired when the additional capital investments are purchased. The amounts were adjusted for the retirement of Transmission and Distribution Mains and Service Lines.

RECEIVED  
AUG 19 2002

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE

## Del Mar Water Company

Schedule D

Consumption Analysis 1/01/01 - 12/31/01

TEST YEAR / PRESENT REVENUES

**WATER**

<u>Bill code</u>		<u>Gallonage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>BFC</u>	<u>Revenues</u>
<u>All Subs:</u>						
03801	Residential	6,503,995	\$ 2.05	973	\$ 8.84	\$ 21,935
	Total	<u>6,503,995</u>		<u>973</u>		<u>\$ 21,935</u>

per t/b	\$	21,650
difference \$	\$	285
difference %		1.32%

**Surcharge**

<u>Bill code</u>		<u>Gallonage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>Rate</u>	<u>Revenues</u>
<u>All Subs:</u>						
03811	City Surcharge	6,506,193	\$ 4.84	973		\$ 31,490
	Total			<u>973</u>		<u>\$ 31,490</u>

per t/b	\$	29,240
difference \$	\$	2,250
difference %		7.70%

**RECEIVED**

AUG 19 2002

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE

Del Mar Water Company  
PROPOSED REVENUES

Schedule E

**WATER**

<u>Bill code</u>		<u>Gallonage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>BFC</u>	<u>Revenues</u>
<u>All Subs:</u>						
03801	Residential	6,503,995	\$ 4.56	973	\$ 25.00	\$ 53,975
	Total	<u>6,503,995</u>		<u>973</u>		<u>\$ 53,975</u>

Difference	\$ 32,040
% Increase	147.99%

**Surcharge**

<u>Bill code</u>		<u>Gallonage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>Rate</u>	<u>Revenues</u>
<u>All Subs:</u>						
03811	City Surcharge	6,506,193	4.94	973		\$ 32,141
	Total			<u>973</u>		<u>\$ 32,141</u>

**RECEIVED**

AUG 19 2002

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE